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5 Proposed Attorney for Debtor-in-Possession,
Mr. Tortilla, Inc.

6 UNITED STATES BANKRUPTCY COURT
7
8 CENTRAL DISTRICT OF CALIFORNIA
9
10 SAN FERNANDO VALLEY DIVISION

11 In re

12 MR. TORTILLA, INC.,
13 Debtor-in-Possession.

14 Case No.: 1:24-bk-10228-VK

15 Chapter 11

16 **DEBTOR'S UPDATED STATUS
CONFERENCE REPORT;
DECLARATION OF ANTHONY
ALCAZAR IN SUPPORT THEREOF**

17 *Continued Status Conference:*

18 Date: June 27, 2024

19 Time: 1:00 P.M.

20 Place: Courtroom 301 (in-person and
ZoomGov)

21 21041 Burbank Blvd.
Woodland Hills, CA 91367

22 **TO THE HONORABLE VICTORIA S. KAUFMAN, JUDGE OF THE
UNITED STATES BANKRUPTCY COURT, TO THE UNITED STATES
TRUSTEE, TO THE SECURED CREDITORS, TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS, AND TO ALL INTERESTED
PARTIES AND THEIR ATTORNEYS OF RECORD:**

23 On behalf of Mr. Tortilla, Inc. ("Debtor"), debtor and debtor-in-possession herein,
24 the Law Offices of Michael Jay Berger ("Debtor's Counsel") hereby submits the
25 following updated Status Conference Report ("Status Report"), as follows:

1 **1. SIGNIFICANT EVENTS IN THE BANKRUPTCY CASE SINCE THE**
2 **PRIOR STATUS CONFERENCE**

3 On April 19, 2024 the Official Committee of Unsecured Creditors (“Creditors”
4 Committee”) filed its Application to Employ Genesis Credit Partners, LLC (“Genesis”)
5 as Financial Advisor and Investment Banker (“Application to Employ Genesis”) [docket
6 no. 141]. On May 24, 2024 the Court entered an Order granting the Application to
7 Employ Genesis [docket no. 204].

8 On April 22, 2024, Debtor filed its Opposition to Creditors’ Committee’s
9 Application to Employ Orrick Herrington & Sutcliffe LLP as Counsel (“Opposition to
10 Application to Employ Orrick”) [docket no. 146]. On May 9, 2024, the Creditors’
11 Committee filed its Reply to the Debtor’s Opposition to the Application to Employ
12 Orrick as well as to other responses and oppositions on file [docket no. 165]. On May 20,
13 2024 the Court entered an Order approving the Application to Employ Orrick [docket no.
14 189].

15 On April 25, 2024, Debtor filed a Motion for Turnover of Property (“Turnover
16 Motion”) [docket no. 148]. On May 16, 2024, the Turnover Motion came for hearing, and
17 on May 22, 2024 the Court entered an Order granting the Turnover Motion [docket no.
18 196].

19 On May 8, 2024, the Creditors’ Committee filed its Motion for 2004 Examination
20 of the Debtor (“2004 Motion”) [docket no. 160]. On May 9, 2024, the Court granted the
21 2004 Motion [docket no. 162]. Debtor has cooperated with the Creditors’ Committee, and
22 produced the documents requested in the 2004 Motion on May 29, 2024.

23 On May 9, 2024, the Creditors’ Committee filed its Objection to the Notice of
24 Setting Insider Compensation of Debtor’s insiders (“Insider Compensation Objection”)
25 [docket no. 163]. On May 14, 2024 Debtor filed its Reply to the Insider Compensation
26 Objection [docket no. 180]. Hearing was held on the Insider Compensation Objection on
27
28

1 May 16, 2024. On June 4, 2024 the Court issued an Order that resolved the Insider
2 Compensation Objection [docket no. 209].

3 On May 9, 2024, the Debtor filed its Emergency Motion for Order Authorizing
4 Interim Use of Cash Collateral (“Cash Collateral Motion”) [docket no. 166]. On May 16,
5 2024 the Creditors’ Committee filed its Objection to the Cash Collateral Motion [docket
6 no. 185], and on May 17, 2024 creditor Sand Park Capital, LLC filed its Objection to the
7 Cash Collateral Motion [docket no. 188]. On May 24, 2024 the Debtor filed its Reply to
8 the Objections to its Cash Collateral Motion [docket no. 203]. Hearing on the Cash
9 Collateral Motion is scheduled for June 27, 2024 at 1:00 p.m.

10 On May 16, 2024, the Debtor filed its Motion to Reject Sublease for Non-
11 Residential Property at 1110 Arroyo Street, San Fernando, CA 91340 (“Motion to Reject
12 Sublease”) [docket no. 183]. The Motion to Reject Sublease was not objected to, and was
13 granted by the Court on June 10, 2024 [docket no. 215].

14 On June 5, 2024, Debtor filed its Stipulation to Assume Lease for Non-Residential
15 Property At 1104 Arroyo Street, 1112 Arroyo Street Unit A And 1112 Arroyo Street Unit
16 B, San Fernando, CA 91340 (“Stipulation to Assume Lease”) [docket no. 210]. Hearing
17 on the Stipulation to Assume Lease has been set for June 27, 2024 [see docket no. 217].

18 **2. DEBTOR’S PROGRESS TOWARD CONFIRMING A CHAPTER 11 PLAN**

19 Debtor, though counsel, has been working with counsel for the Creditors’
20 Committee in negotiating with Amazon for the release of Debtor’s receivables in
21 Amazon vendor accounts. Release of these accounts to the Debtor is necessary for Debtor
22 to have the income to pay its operating costs, and to propose a feasible Plan of
23 reorganization that includes payment to creditors.

24 Debtor is reviewing the claims filed to its bankruptcy case, to determine if
25 objection to any of the claims is appropriate.

26 Debtor is in the process of interviewing candidates to hire as an accountant. Once
27 a suitable candidate is found, Debtor will file an application to hire the accountant with

the Court, and Debtor anticipates filing such an application to employ prior to the June 27, 2024 continued status conference.

During the pendency of the bankruptcy, Debtor has adjusted its business model to obtain subscriptions from customers, and focus on monthly recurring revenue. In the past month, Debtor has increased its monthly subscribers from approximately 200 to over 500. Over the past two months, Debtor has increased its local distribution, and currently has over 150 local stores carrying its products.

LAW OFFICES OF MICHAEL JAY BERGER

Dated: June 13, 2024

By: Michael Jay Berger
Michael Jay Berger
Attorney for Debtor,
Mr. Tortilla, Inc.

DECLARATION OF ANTHONY ALCAZAR

I, Anthony Alcazar, declare and state as follows:

1. I am the President and Director of Mr. Tortilla, Inc., the Debtor and Debtor-in-Possession (the "Debtor"). I am over the age of 18. I have personal knowledge of the facts I state below, and if I were to be called as a witness, I could and would competently testify about what I have written in this declaration.

2. On April 19, 2024 the Official Committee of Unsecured Creditors (“Creditors’ Committee”) filed its Application to Employ Genesis Credit Partners, LLC (“Genesis”) as Financial Advisor and Investment Banker (“Application to Employ Genesis”) [docket no. 141]. On May 24, 2024 the Court entered an Order granting the Application to Employ Genesis [docket no. 204].

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1 6. On May 9, 2024, the Creditors' Committee filed its Objection to the Notice
2 of Setting Insider Compensation of Debtor's insiders ("Insider Compensation Objection")
3 [docket no. 163]. On May 14, 2024 Debtor filed its Reply to the Insider Compensation
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5 May 16, 2024. On June 4, 2024 the Court issued an Order that resolved the Insider
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7 7. On May 9, 2024, the Debtor filed its Emergency Motion for Order
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10 Motion [docket no. 185], and on May 17, 2024 creditor Sand Park Capital, LLC filed its
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19 9. On June 5, 2024, Debtor filed its Stipulation to Assume Lease for Non-
20 Residential Property At 1104 Arroyo Street, 1112 Arroyo Street Unit A And 1112 Arroyo
21 Street Unit B, San Fernando, CA 91340 ("Stipulation to Assume Lease") [docket no.
22 210]. Hearing on the Stipulation to Assume Lease has been set for June 27, 2024 [see
23 docket no. 217].

24 10. Debtor, though counsel, has been working with counsel for the Creditors'
25 Committee in negotiating with Amazon for the release of Debtor's receivables in
26 Amazon vendor accounts. Release of these accounts to the Debtor is necessary for Debtor
27 to have the income to pay its operating costs, and to propose a feasible Plan of
28 reorganization that includes payment to creditors.

11. Debtor is reviewing the claims filed to its bankruptcy case, to determine if objection to any of the claims is appropriate.

12. Debtor is in the process of interviewing candidates to hire as an accountant. Once a suitable candidate is found, Debtor will file an application to hire the accountant with the Court, and Debtor anticipates filing such an application to employ prior to the June 27, 2024 continued status conference.

13. During the pendency of the bankruptcy, Debtor has adjusted its business model to obtain subscriptions from customers, and focus on monthly recurring revenue. In the past month, Debtor has increased its monthly subscribers from approximately 200 to over 500. Over the past two months, Debtor has increased its local distribution, and currently has over 150 local stores carrying its products.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration is executed on June 13, 2024 at San Fernando, California.

Anthony Alcazar

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 9454 Wilshire Blvd., 6th Fl., Beverly Hills, CA 90212

A true and correct copy of the foregoing document entitled (*specify*): **DEBTOR'S UPDATED STATUS CONFERENCE REPORT; DECLARATION OF ANTHONY ALCAZAR IN SUPPORT THEREOF** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (date) 6/13/2024, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On 6/13/2024, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on 6/13/2024, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Victoria Kaufman
United States Bankruptcy Court
Central District of California
21041 Burbank Boulevard, Suite 354 / Courtroom 301
Woodland Hills, CA 91367

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

6/13/2024	Peter Garza	/s/Peter Garza
Date	Printed Name	Signature

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Counsel for Debtor: Michael Jay Berger michael.berger@bankruptcypower.com, yathida.nipha@bankruptcypower.com; michael.berger@ecf.inforuptcy.com

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U.S. Trustee: Katherine Bunker kate.bunker@usdoj.gov

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2. SERVED BY UNITED STATES MAIL

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Sand Park Capital LLC
c/o Corrigan & Morris LLP
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Henderson, NV 89012

Sellers Funding
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Ridgewood, NJ 07450

Shopify Capital
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Richmond, VA 23219

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San Francisco, CA 94107

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